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Security Council

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Letter dated 16 December 2004 from the Secretary-General addressed to the President of the Security Council

I have the honour to refer to the Accra III Agreement on Côte d'Ivoire concluded on 30 July 2004 in Accra, to the statement by the President of the Security Council of 5 August 2004 (S/PRST/2004/29) and to my letters dated 16 August 2004 (S/2004/667), 3 September 2004 (S/2004/716), 20 September 2004 (S/2004/748), 6 October 2004 (S/2004/800), 29 October 2004 (S/2004/878) and 2 December 2004 (S/2004/944) concerning the monitoring of the Agreement.

Please find attached the eighth report of the Tripartite Monitoring Group established under the Accra III Agreement, covering the period from 16 to 30 November 2004 (see annex).

I should be grateful if you would bring this letter and its annex to the attention of the members of the Security Council.

(*Signed*) Kofi A. **Annan**

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Annex

[Original: English]

Implementation of the Accra III Agreement

Eighth report of the Monitoring Group covering the period from 16 to 30 November 2004

I. Introduction

1. The present report is prepared pursuant to the Accra III Agreement of 30 July 2004, which requested the Tripartite Monitoring Group to submit fortnightly reports on the situation in Cote d'Ivoire and on the progress made towards the implementation of the Accra III Agreement. This report covers major developments in the peace process between 16 and 30 November 2004.

II. Overview

2. The aftermath of the events of 4 to 8 November 2004 continued to overshadow developments in the period under review. The general military and security situation calmed down with appeals from President Gbagbo to the Nation, from the new military command of FANCI, France, the European Union, ECOWAS and the African Union, in particular the intervention of the Mbeki mission of 9 November 2004 and the AU mini summit of 14 November 2004 in Abuja. The UN Security Council Resolution 1572 (2004) adopted on 15 Nove.nber 2004 with its arms embargo had sent a clear and strong message on the threat to peace and international security in Cote d'Ivoire.

3. The changes at the national military hierarchy and the announcement of further changes continued to feed speculations about the state of the National defence and security forces and its likely impact on the implementation of the DDR programme and the restructuring of the Armed Forces, as envisaged under the Linas-Marcoussis Agreement. Relations between FANCI and FAFN are at their nadir for obvious reasons. The mistrust generated in Franco-ivorian relations, in particular the bilateral defence arrangements, has also cast a long shadow over military cooperation within the Quadripartite Commission. The state of consultations within that Commission is now reduced to dialogue between FANCI and ONUCI.

4. The reports of the continuing mediation by President Thabo Mbeki appeared to be the only hope in the horizon of some way out of the peace process seriously jeopardized by the military hostilities involving FANCI and LICORNE. Consequently, in spite of any scepticism, the visit of President Mbeki to Cote d'Ivoire scheduled for 2 to 6 December 2004 on the third segment of his mediation is awaited with some hope.

Military and security situation

5. The overall military situation astride the Zone of Confidence in both sectors and in Abidjan had calmed down and remained stable. Although tension still prevailed both in political and military circles due to the uncertain prospects of peace in the foreseeable future. However, all sides have displayed reasonable restraint and were adhering to the cessation of hostilities. In Danane and Touba in the West of the country, Forces Nouvelles were put on alert following rumours of attacks by mercenaries from Guinea and Liberia.

6. In Abidjan and on both sides of the Zone of Confidence, the security situation had gradually returned to normal though remained tense and unpredictable. Offices, banks and schools had re-opened. Groups of Young Patriots, now in smaller numbers, were still erecting and manning several checkpoints at various locations in Abidjan around the National Radio and Television (RTI) and the President's residence in Cocody. Hostile demonstrations mounted against French nationals were frizzling out. On 23 November, LICORNE forces, whose presence in Abidjan had been strengthened since the recent crisis, had pulled back from certain key locations. ONUCI forces continued to conduct regular patrols in Abidjan.

III. Developments in the peace process

7. On 20 and 21 November 2004, President Mbeki of South Africa met in Pretoria with Prime Minister Seydou Diarra and with the Secretary-General of Forces Nouvelles, Guillaume Soro, to discuss the restoration of political dialogue in Cote d'Ivoire.

8. On 18 November, the Council of Ministers met for the first time since the outbreak of hostilities on 4 November. PDCI Ministers were present at the meeting, while RDR Ministers sent their representatives and FN Ministers did not attend. The meeting

considered some draft legislative reforms envisaged by the Linas-Marcoussis Agreement, including those related to the indemnity for the victims of war and the creation of a National Commission for Identification. President Gbagbo reiterated his intention to find interim replacements for Ministers who boycotted meetings of the Council of Ministers. In a statement read by his spokesman on the National Radio and Television network (RTI) following the adoption of Security Council Resolution 1572 (2004) of 15 November 2004, President Gbagbo assured the United Nations that he would do nothing to hinder the peace process and invited the organisation to apply the Resolution on sanctions with "the same rigour" to the rebels.

9. The eight (8) Ministers from the Forces Nouvelles (except MPIGO) continued to boycott the meetings of the Council of Ministers presided over by President Laurent Gbagbo. The Forces Nouvelles had reiterated their demand for the resignation of President Gbagbo to enable the peace process to progress. They also cited security reasons for their inability to participate in those meetings. As an interim arrangement, the portfolios of the Ministers were assigned to other Ministers.

10. It was against this background that the National Assembly opened the deliberations of its second ordinary session on Monday 29 November 2004. The proceedings were devoted to draft legislative texts envisaged in the Linas-Marcoussis Agreement. On Tuesday 30 November 2004, the Commission on Institutions and General Affairs of the National Assembly adopted the draft legislation on the Independent Electoral Commission by a close vote of 19 for and 17 against. The voted text was expected to be submitted to the plenary session of the National Assembly for final approval by 17 December 2004. The text allocated three seats to the Forces Nouvelles as against two seats demanded by each of the three constituent movements signatory to the Linas-Marcoussis Agreement. It also expands membership of the Bureau of the Commission from five to eight. Participation of FN representatives is limited to the work of the Commission at the national level.

11. In a major development, the Democratic Party of Cote d'Ivoire (PDCI) announced its agreement for the amendment to Article 35 to be submitted to a referendum. The lack of consensus on procedures to be adopted in the amendment of that constitutional provision constitutes a major obstacle in the peace process.

The Second Ordinary Session of the National Assembly is scheduled to close on 17 December 2004.

12. Following a crisis meeting held on 22 November, as a result of widespread destruction and looting of businesses, the President of the Commerce Chamber, Jean-Louis Billon estimated the losses at some 14 billion FCFA, and stated that 30,000 people would become jobless. He said that 125 of the 500 businesses representing 25% of foreign and domestic investment, as well as 50% of CDI tax income had closed shop. The Ivorian Minister of Finance and Economy announced that businesses would be exempted from paying taxes until further notice. This came against the background of an economy that has been showing growing signs of weaknesses. According to recent statistics, 85% of job seekers are persons between the ages of 15 and 35 years old.

13. From 26 to 27 November 2004, the Tenth Summit of *Francophonie* took place in Ouagadougou (Burkina Faso). On the crisis in Cote d'Ivoire, the Summit adopted a final declaration reaffirming its concern over the severe deterioration of the situation and called for the implementation of the Linas-Marcoussis and Accra III Agreements.

Reaction of the International Community and UN Security Council Resolution 1572

14. An emergency mini summit of the African Union held in Abuja on 14 November 2004, condemned the violation of the cease-fire by the FANCI. It recommended an immediate arms embargo by the Security Council in its impending resolution on Cote d'Ivoire. In that Resolution 1572 (2004), the Security Council decided that all States shall, for a period of thirteen months from the date of adoption of this resolution, take necessary measures to prevent the direct or indirect supply, sale, or transfer to Cote d'Ivoire, from their territories or by their nationals, or using their flags vessels or aircraft, of arms or any related material, in particular military aircraft and equipment, whether or not originating in their territories, as well as the provision of any assistance, advice or training related to military activities.

15. The resolution also decided that all States shall, for the period of twelve months, prevent entry into or transit through their territories of all persons designated as constituting a threat to the peace and national reconciliation process

in Cote d'Ivoire, in particular those who block the implementation of the Linas-Marcoussis and Accra III Agreements. Furthermore, all States shall, for the period of twelve months, freeze immediately the funds, other financial assets and economic resources which are on their territories owned or controlled directly or indirectly by persons so designated.

16. The Tenth Summit meeting of *La Francophonie* (26-27 November 2004) held in Ouagadougou strongly endorsed UN Resolution 1572.

The European Parliament

17. The European Parliament was seized of the question of the Ivorian crisis. In its decision of 18 November 2004, the Parliament, *inter alia*, noted the unanimous adoption of Resolution 1572 by the UN Security Council and considering that the Government of Cote d'Ivoire violated the cease fire agreements on 4 November 2004, called on all parties to put an immediate end to all military action and other hostilities, to cease all attacks on civilians, particularly those working for humanitarian agencies irrespective of their nationality, ethnicity or religion, demanded an end to all appeals to hatred and violence and to renew dialogue and negotiations and for all parties to respect commitments undertaken. The European Parliament called for enhanced support of its member states for the United Nations peace mission in Cote d'Ivoire. It called on the European Council to look at the root causes of the Ivorian crisis, especially in the social and economic spheres and to support the deployment of peace troops by the African Union within the framework of its support for peace facility in the European Fund for Development.

The African Union Mediation

18. Since the adoption of Security Council Resolution 1572 (2004), the African Union, under the auspices of President Thabo Mbeki of South Africa, has continued to explore avenues to break the impasse over the implementation of the Linas-Marcoussis Agreement. Since his last visit to Abidjan on 9 November 2004, the South African President had received key representatives of the Ivorian political parties in Pretoria for consultations. Further, he dispatched his Minister of Defence, Lekato Mosioua, to Abidjan to continue consultations with protagonists in the Ivorian crisis to explore the way forward. President Mbeki was

due in Abidjan early in December to engage in a comprehensive round of mediation among Ivorian leaders and political actors.

Impact on neighbouring countries

19. The immediate consequences of current developments have been the deterioration of the security situation in the immediate sub-region and the escalation of humanitarian problems, particularly the increase in the flow of refugees across international frontiers. The refugee flow is mainly of displaced Ivorians into Liberia.

20. The resumption of armed hostilities immediately triggered the reserves of para-military forces and militias into battle mode. Many of these militias in the west of Cote d'Ivoire, who are based in Danane, Man and Guiglo and their environs, are composed of armed elements from Liberia and Sierra Leone. They are found across the spectrum of militia movements in Cote d'Ivoire who are motivated by different political goals and agenda. These include the Ivorian Front for the Liberation of the Great West (FLGO), which is pro Government and has the sympathy of their ethnic cousins in the Kran and Krou dominated Movement for Democracy in Liberia (MODEL), an offshoot of the Madingo dominated LURD. Armed elements of the Liberia LURD movement are reported to have teamed up with the remnants of the forces of Sierra Leonean Sam Bockarie's Revolutionary United Front (RUF), to boost the military operations of the Patriotic Movement of Cote d'Ivoire (MPCI), led by Guillaume Soro. These armed elements are based in Bouake and as far north of Cote d'Ivoire as the influence of the Forces Nouvelles permit. The Liberian elements in the Forces Nouvelles have been implicated in the leadership dissensions and skirmishes in the Movement. The implications of political developments in Cote d'Ivoire have thus been to trigger off the real threat of destabilization in the sub-region, particularly along the borders between Liberia and Sierra Leone and the borders between Cote d'Ivoire and Mali and Burkina Faso respectively.

IV. Humanitarian and Human rights developments

21. The aerial attacks by Ivorian forces, the reprisal attacks by LICORNE forces and the violent street demonstrations led to deaths, injuries and physical damage. The situation led to destitution among the international community who fled their homes

and were in some cases given immediate help by their various consular missions in Abidjan or, in many instances, by the LICORNE force and ONUCI. Many were eventually repatriated abroad. There were nationals who fled the immediate environment near military targets or for perceived lack of security, including uncertainties as to the immediate cause of the renewed fighting. Among them, significant numbers were known to have crossed into neighbouring states, particularly Liberia. A more worrisome dimension has been the displacement of old refugees from their camps which were close to the new theatres of the new conflict. The presence of many of these displaced refugees within the premises of ONUCI created a sense of urgency on how to manage the new humanitarian crisis that was developing around recent events in Cote d'Ivoire. In the face of the deteriorating security situation in their camps, many of the refugees expressed the wish to be repatriated back to Liberia.

22. There have been reports of massive violations of human rights in areas under the control of the Forces Nouvelles in what appears to be a general crackdown on those suspected to be sympathetic to the armed mission of FANCI. There were reported cases of systematic extortion of entire communities by the Forces Nouvelles. Several cases of human rights abuses throughout the country were reported with cases of arbitrary arrests, detention and forced disappearances of people accused of supporting President Gbagbo in the North.

23. Civil servants in the North have also been the target of harassment by the Forces Nouvelles and have been accused of bringing in arms or sharing sensitive information to support the FANCI attack. The security of civil servants is now a matter of serious concern. Civil servants stuck in the North are afraid to go to Abidjan to collect their salaries because of the numerous checkpoints and harassment. The further deployment of civil servants has been put on hold by the Government.

24. The Ivorian media has reported that 64 people were killed while over 1,000 had been wounded in the standoff between French Licorne and the Jeunes Patriotes in front of Hotel Ivoire. ICRC reported that they had assisted close to 3,000 people between 5 and 11 November in Abidjan, including 1,221 people in Cocody on 9 November alone. During the events of 9 November 2004, the Ivorian Red Cross Society reported having brought a total of 92 severely wounded people to hospitals in Abidjan. They further reported having encountered some difficulty in reaching the wounded and were, in some instances, attacked and threatened.

25. Water and electricity supplies were cut off to the Northern towns of Bouake, Korhogo and Man and the Western town of Guiglo from 4 to 12 November. International pressure was successfully applied to restore the supplies. The consequences of the electrical power outage in the North were of a major humanitarian concern. The lack of electricity and clean water increased the risk of epidemics and restricted the full operation of hospitals and health centres.

26. During the bombardments in Bouake, UNICEF continued to ensure the protection of former child soldiers under their charge at a demobilisation centre in Bouake.

27. The growing insecurity caused by the recent events and the open anti-foreigner sentiment has caused over 8000 western expatriates to leave Cote d'Ivoire for their home countries or to other West African countries.

28. An estimated 19,000 Ivorian refugees have fled to Liberia since the hostilities began. UNHCR has reported that the refugees have fled from areas within the West of Cote d'Ivoire including Bin Houye, Zouan Hounien, and Danane. The humanitarian community in Liberia has expressed deep concern over the influx of refugees in Liberia, as Liberia's own population was recovering from a protracted crisis. The international NGO, International Rescue Committee (IRC), reported that the eastern part of Liberia was particularly vulnerable; access was difficult due to bad infrastructure and less than 10% of the population had access to clean drinking water. UNHCR has said that if the situation deteriorated the refugees might have to be transported further into Liberia where humanitarian agencies might be in a better position to offer assistance.

V. Conclusion

29. The confusion and uncertainties in the overall political and social situation have scuttled any local initiatives to restoring dialogue among the Ivorian political actors. The only glimmer of cautious hope lies in the outcome of the on-going consultations by

President Thabo Mbeki and, in particular, his impending mission to Cote d'Ivoire in early December. In the prevailing circumstances, it becomes crucial that the concern and interest of the international community be fully invested in this important African Union initiative.

Signed on behalf of the Group

Ambassador Raph Uwechue
Chairman

1 December 2004

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Security Council

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17 December 2004

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Letter dated 10 December 2004 from the President of the Governing Council of the United Nations Compensation Commission addressed to the President of the Security Council

The Governing Council of the United Nations Compensation Commission has concluded its fifty-fourth session, which was held in Geneva from 7 to 9 December 2004.

During the opening plenary meeting of the fifty-fourth session representatives of Kuwait and Iraq addressed the Council. Their respective statements will be sent by mail with the original of the present letter.

During the session, the Council considered two reports and recommendations concerning parts one and two of the fourth instalment of "F4" environmental claims. The attached tables (see annex I) provide details of the amounts of compensation claimed in the reports and the amounts awarded by the Governing Council. The total amount awarded in the reports approved at this session is $2,906,694,267 United States dollars.

The Governing Council considered and took note of the report of the Executive Secretary: summary of activities, covering the period from 1 August to 31 October 2004, and the information note prepared by the secretariat containing an update on the report. The report covers the processing of claims, the withdrawal of claims and the payment of approved claims. The Council raised a number of questions in relation to the report, which were satisfactorily answered by the secretariat.

The Council discussed the arrangements for ensuring that payments are made into the Compensation Fund in the light of information provided by the secretariat. The Council requested the secretariat to provide further information concerning the mechanisms that are in place for ensuring payments are made into the Fund for the Council's consideration at its next session.

The Council reviewed several issues relating to the processing and payment of claims, including the twenty-eighth report of the Executive Secretary, pursuant to article 41 of the Provisional Rules for Claims Procedure, and approved corrections to certain category "A", "D" and "C" Palestinian late claims.

After considering the issue of duplication of awards, the Council recommended that the matter be kept on its agenda for further consideration at its next session.

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The Council considered a number of issues relating to the "F4" environmental claims. After hearing an update from the secretariat concerning the current status and the amendment of the claims, the Council thanked the secretariat, took note of the information provided and requested the secretariat to continue to provide updates at future sessions of the Council.

The Government of Iraq made a request concerning compensability for interim environmental damages and the valuation of public health impacts by way of a note verbale and an accompanying letter, dated 16 August 2004, and during the presentations made by its delegation at the opening meetings of the fifty-third and fifty-fourth sessions. After further considering this matter, the Council requested the secretariat to continue to provide detailed briefings concerning the consideration by the "F4" panel of Commissioners of these issues.

The Council continued to consider the issue of the potential of some public availability of the environmental monitoring and assessment databank maintained by the United Nations Environment Programme (UNEP), which comprises information submitted by claimant Governments, in the light of two information notes prepared by the secretariat, dated 20 September and 2 December 2004. The Council requested the secretariat to continue its consultations with UNEP and referred this issue to a future informal meeting of the Working Group, to which UNEP was invited.

The Council continued to consider the issue of the non-use of the full amount of compensation awarded in the completion of the monitoring and assessment projects of the Government of Jordan and others, in the light of an information note prepared by the secretariat dated 2 December 2004. The Council recommended that its consideration of this matter be deferred pending the report of the "F4" panel of Commissioners on the matter, as part of the next panel report concerning the tracking progress of environmental monitoring and assessment projects compensated pursuant to Governing Council decision 132, that these issues be referred to a future informal meeting of the Working Group and that they remain on the Council's agenda.

Finally, the Council continued its consideration of the monitoring of the use of compensation awards in the light of: a request made by the Governments of Kuwait and Saudi Arabia relating to the panel's recommended remediation methods on the basis of which the Governing Council approved such awards; the letter from the Government of Iraq, dated 16 December 2003; the presentations made by the Government of Iraq at the opening plenary meeting of the fifty-third and fifty-fourth sessions; the presentation made by Kuwait at the opening plenary meeting of the fifty-fourth session; information received from the "F4" panel of Commissioners on this issue, including three suggested monitoring options; and an information note prepared by the secretariat dated 2 December 2004. The Council recommended that UNEP's possible involvement in monitoring the environmental remediation programmes of successful claimant Governments continue to be explored, and that this issue be referred to a future informal meeting of the Working Group. The Council also referred the request by certain Governments for guidance as to the use of compensation awards for environmental remediation programmes to a future informal meeting of the Working Group.

The Council continued to consider whether the special head of loss, set out in Governing Council decision 218, should apply to 10 claims of deceased persons

from the Islamic Republic of Iran and Saudi Arabia found to be eligible for filing by the "D1" panel of Commissioners pursuant to decision 12. The Council also considered an information note prepared by the secretariat on this issue, dated 15 October 2004. The Council requested the secretariat to continue its efforts to obtain further information from the Governments of the Islamic Republic of Iran and Saudi Arabia concerning the 10 claims, and that such information should be submitted to the secretariat by 17 January 2005. The Council referred this issue to a future informal meeting, for the Working Group's further consideration of the information received from the Governments concerning the claims, and decided that the panel of Commissioner's consideration of the claims should be deferred, pending the Working Group's further discussion of the claims.

The Council heard a presentation by the secretariat concerning the current status of the claims of the bedoun and considered two issues raised in an information note prepared by the secretariat dated 2 December 2004. With respect to the first issue raised the Council agreed with the view expressed by the panel of Commissioners that anyone who has filed a claim with the Commission in any claims programme, including other late claims programmes, should not be permitted to participate in the bedoun claims programme. With respect to the second issue raised, the Council decided that the panel of Commissioners should be permitted to exercise its discretion to permit a representative of the claimant to file the claimant's claim, should the panel determine that such representation is warranted.

After considering the issue as to whether claims for corporate losses could be filed under decision 12 in the light of information provided by the secretariat, the Council decided that, given the circumstances of the claims, such corporate claims were ineligible for filing under decision 12.

The Council was provided with further information with regard to the processing of the deceased detainee claims that were accepted for filing by the Council at its fiftieth session in December 2003. At that time the Council had recommended that the Government of Kuwait should file a single claim for each of the 605 detainees for all losses personally suffered by them. The Council concurred that, consistent with the instructions for claimants on the category "C" and "D" claim forms, each such single claim for a deceased detainee may include losses submitted on either category "C" or "D" claim forms, to be reviewed by the "D1" panel of Commissioners in accordance with the established evidentiary standards for each category of claims.

The Council also heard a progress report from the secretariat on the processing of the "Canadian criteria" late claims that were accepted for filing from nationals of a number of Governments by the Council at its fifty-first session in March 2004. The Council concurs that, with respect to claims filed by the Government of Pakistan (with a total number of around 891 claims), claimants living in Pakistani administered Jammu and Kashmir or in areas affected by the flooding of the Jhelum and Chenab Rivers in 1992 in the Punjab province are eligible to file claims; and that with respect to claims filed by the Government of Philippines (with a total number of around 309 claims), claimants who were either residing in Mindanao or in all other regions affected by the Mount Pinatubo volcanic eruption, including Central Luzon, are eligible to file claims with the Commission, in accordance with the March 2004 decision of the Governing Council. The Council also requested the secretariat to continue to provide information on the processing of these claims.

Following its consideration of the report of the Executive Secretary on the distribution of payments and transparency, and the return of undistributed funds, the Council took note of the report and requested the secretariat to continue to inform the Council of the reports of Governments and international organizations on the distribution of payments and the return of undistributed funds.

The Council also further considered four payment related issues. With respect to the exchange rates used for claims payment by the Government of Bangladesh, the Council further considered an information note prepared by the secretariat, dated 15 October 2004, and requested the President of the Governing Council to send a letter to the Government of Bangladesh conveying the Council's position that Governments should not deduct more than the 1.5 per cent fee for the payment of individual claims as stated in Governing Council decision 18. The Council also referred this issue to a future informal meeting of the Working Group.

The Council considered an updated information note prepared by the secretariat, dated 10 November 2004, concerning the Government of Egypt's non-compliance with respect to details in its payment distribution reports, and decided that a delegation from the Government of Egypt should be invited to attend a future informal meeting of the Working Group to discuss the issue of its payment distribution report.

With respect to the non-compliance by three Governments with the requirements of decisions 18 and 48, the Council considered the updated information note prepared by the secretariat, dated 15 November 2004, and also decided in this case that the Governments in question be invited to attend a future informal meeting of the Working Group to discuss the issue of compliance with the requirements of decisions 18 and 48.

Finally, the Council considered the updated information note prepared by the secretariat, dated 10 November 2004, concerning unlocated claimants and set the date of 30 September 2006 as an indicative date for the final location and payment of claimants. The Council also referred this issue to an informal meeting of the Working Group, and decided to keep it on the Council's agenda.

The Council continued its consideration of interest on awards of compensation and claims preparation costs and discussed draft Council decisions concerning the two issues. The Council referred these matters to a future informal meeting of the Working Group and decided to keep them on its agenda.

At the request of one delegation, the Council discussed the filling of the second Office of Internal Oversight Services (OIOS) audit post at the P-4 level in the United Nations Compensation Commission, which is due to be filled as of 1 January 2005. The Council took note of the letter of the Executive Secretary of the Compensation Commission to the Under-Secretary-General for Internal Oversight Services, dated 6 December 2004, in which the Executive Secretary requested OIOS to reconfirm its undertaking to carry out its audits of the UNCC in conformity with the memorandum of understanding between the Compensation Commission and OIOS (dated 13 June 2003), with particular reference to paragraph 4 of the memorandum.

The Executive Secretary, with reference to the discussions held at the meeting of the Committee on Administrative Matters, informed the Council of his intention

to fill the second audit post as of 1 January 2005, as approved by the Committee at its fifteenth meeting, in its decision dated 16 December 2003.

With respect to the OIOS audit of part two of the third instalment of "F3" claims, the Council considered an information note on the issue and decided that, pending the submission of the final audit report on part two of the third instalment of "F3" claims by OIOS, this matter should remain on its agenda.

The Council also asked the secretariat to convey to the secretariat of the Security Council the request of the Governing Council for the translation of the report of the Board of Auditors on the financial statements of the Compensation Commission for the biennium 2002-2003, and kept the consideration of the report on its agenda.

The Council gave preliminary consideration to the phasing-out of the Compensation Commission in the light of an information note prepared by the secretariat, dated 11 November 2004 and decided to keep this matter on its agenda.

The Council took note of the report of the Committee on Administrative Matters to the Governing Council (S/AC.26/2004/R.38), detailing the discussions and outcome of its seventeenth meeting, held in Geneva on 16 November 2004, to discuss proposed amendments to the budget of the Executive Secretary for the biennium 2004-2005. A copy of the report will also be sent with the original of the present letter.

After considering the issue of the payment of an award to a directly submitted claim in the light of an information note prepared by the secretariat, dated 6 December 2004, the Council referred the matter to an informal meeting of the Working Group.

Finally, the Governing Council decided to hold a special session to elect a new President and one new Vice-President of the Council in January 2005 and to hold its fifty-fifth session from 8 to 10 March 2005.

To date, the Commission has awarded compensation of approximately $51.8 billion, including the awards approved in the fifty-fourth session, and approximately $18.8 billion of the amounts awarded have been made available to Governments and international organizations for distribution to successful claimants in all categories of claims. The payments to successful claims approved by the Council at the fifty-fourth session will be made in the next round of payments, in accordance with Governing Council decision 227, scheduled to take place on 13 January 2005. On 30 November 2004 the balance of the Compensation Fund was approximately $310.8 million.

(*Signed*) Ambassador Michael **Steiner**
President of the Governing Council

Annex I

Summary of recommendations

A. Report and recommendations made by the panel of Commissioners concerning part one of the fourth instalment of "F4" claims (S/AC.26/2004/16)

Country	*Number of claims recommended for payment*	*Number of claims not recommended for payment*	*Amount of compensation claimed (United States dollars)*	*Amount of compensation recommended (United States dollars)*
Iran (Islamic Republic of)	1	-	2 484 623 699	188 760
Jordan	-	1	136 761 897	nil
Kuwait	2	-	729 020 720	4 152 411
Saudi Arabia	2	-	11 315 164 493	625 146 707
Syrian Arab Republic	-	1	1 634 619 154	nil
Turkey	-	1	5 269 165	nil
Total	**5**	**3**	**16 305 459 098**	**629 487 878**

B. Report and recommendations made by the panel of Commissioners concerning part two of the fourth instalment of "F4" claims (S/AC.26/2004/17)

Country	*Number of claims recommended for payment*	*Number of claims not recommended for payment*	*Amount of compensation claimed (United States dollars)*	*Amount of compensation recommended (United States dollars)*
Kuwait	1	-	6 799 491 526	2 277 206 389

Annex II

Documents before the Governing Council at its fifty-fourth session

1. Report and recommendations made by the panel of Commissioners concerning part one of the fourth instalment of "F4" claims (S/AC.26/2004/16).
2. Decision concerning part one of the fourth instalment of "F4" claims (S/AC.26/Dec.234 (2004)).
3. Report and recommendations made by the panel of Commissioners concerning part two of the fourth instalment of "F4" claims (S/AC.26/2004/17).
4. Decision concerning part two of the fourth instalment of "F4" claims (S/AC.26/Dec.235 (2004)).
5. Twenty-eighth report of the Executive Secretary pursuant to article 41 of the Provisional Rules for Claims Procedure (S/AC.26/2004/18).
6. Decision concerning corrections of awards pursuant to article 41 of the Provisional Rules for Claims Procedure (S/AC.26/Dec.236 (2004)).